

**SPECIAL BUDGET AND
EXPENDITURE ORDER OF NOVEMBER 24, 2004**

WHEREAS, the State of Maine and National economies continue to exhibit patterns of relatively slow recovery; and

WHEREAS, it is fiscally responsible to continue budgetary constraints that are currently in place and to implement additional constraints in anticipation of addressing the FY06 and FY07 biennial structural gap;

NOW, THEREFORE, I, John E. Baldacci, Governor of the State of Maine, do hereby order, effective immediately, that each State agency and department must review its programs and implement the following procedures:

1. Financial orders that request the transfer of balances of appropriations and allocations between line categories and accounts, that request the use of savings for project or limited period positions or that request allotment in excess of allocation, except Government/Student Intern positions, will not be approved unless the State Budget Officer determines such uses are necessary to protect the health or safety of the public, to meet payroll obligations, to fund legislatively approved salary increases and adjustments or are necessary to meet unavoidable legal obligations.
2. A hiring freeze is immediately in effect for all positions that are vacant or that become vacant. Emergency exceptions to this provision may be approved by each department or agency head with advice and recommendations from the Bureau of the Budget and the Commissioner of the Department of Administrative and Financial Services, or the Commissioner's designee. Department and agency heads should make every effort to streamline operations in order to avoid the filling of vacancies. Hiring decisions by department and agency heads will be limited by available Personal Services in General Fund accounts during FY 05.

3. Unscheduled overtime shall not be permitted except in emergency or other unavoidable circumstances and only with the prior approval of the department or agency head, or his or her designee.
4. All travel must be reduced to the absolute minimum necessary to maintain effective operations with the following exceptions:
 - Travel directly related to the care of residents, wards, foster children and other individuals under state care or protection.
 - Travel required in the execution of law enforcement investigations, interstate contracts directly related to the extradition of an individual, or the transfer of an individual to or from a correctional facility.
 - Travel directly involved in the securing of revenue, or that directly impacts revenue.
 - Travel required in emergencies or other extraordinary circumstances.

Alternatives to travel should be explored, especially the use of appropriate telecommunications technology.

5. All contracts, grants or purchases must be reviewed by each department and agency head and reduced to the absolute minimum necessary to maintain effective operations or to meet emergency situations. Each department or agency head will be responsible for making the determination that a contract, grant or purchase satisfies the emergency or cost effective operation standard in accordance with guidelines developed by the Division of Purchases. The Director of Purchases is authorized to return to a department or agency head any contracts, grants or purchases that are determined to be nonessential or that can be delayed or postponed. Federal Expenditures Fund accounts and Federal Block Grant Fund accounts are exempted, only if a General Fund match or other General Fund obligation is not required.

Nothing in this Executive Order may be interpreted to authorize departments and agencies to postpone the processing of invoices payable in fiscal year 2004-05. This Executive Order also is not intended to prevent state agencies and departments from addressing emergencies or imminent threats to health and safety, or from fulfilling legal obligations entered into prior to its effective date.

The Executive Order is effective immediately and shall remain in effect through June 30, 2005, unless modified or rescinded by Executive Order. This Order supersedes 05 FY 01/02, 02 FY 02/03, 07 FY 02/03, 01 FY 03/04 and 19 FY04/05.

John E. Baldacci, Governor